

Welcome to the Webinar

Addressing the Big Return-To-Work Question: WHY?

Mehul Joshi, Jeanne Johns,
Dr Gabrielle Ostrognay & Joe Fischer

Session Agenda

- Introduction to our Panel
- Review pulse survey
- What gets lost
- DNA of belonging
- Implications for Organisational Culture
- Q and A

Webinar slides and recording available after the session at www.smgrp.com.au

Our Panel



Jeanne Johns

Managing Director & CEO, Incitec
Pivot Ltd.



Dr Gabrielle Ostrognay

Organisational Psychologist &
Executive Coach



Joe Fischer

Former Global Head of HR P&O Group
(UK); Senior Partner SMG

GAS COSTS DEFLATE INDUSTRY

Lower domestic prices would help boost the economy

JEANNE JOHNS



As Australia progressively emerges from lockdown, the challenge facing our national leaders will shift. The task facing government ultimately will move from protecting the community against an invisible enemy to getting Australians safely back to work and the economy growing.

Fortunately, the federal government has some powerful economic levers it can pull to stimulate business activity and grow the number of new jobs.

One powerful lever is reducing the cost of natural gas to east coast consumers. Reducing gas prices would provide a much-needed boost to manufacturers, while also significantly reducing everyday costs for households.

Last year Australia became the largest exporter of gas in the world, exporting 80 per cent of all the gas we produce as a nation.

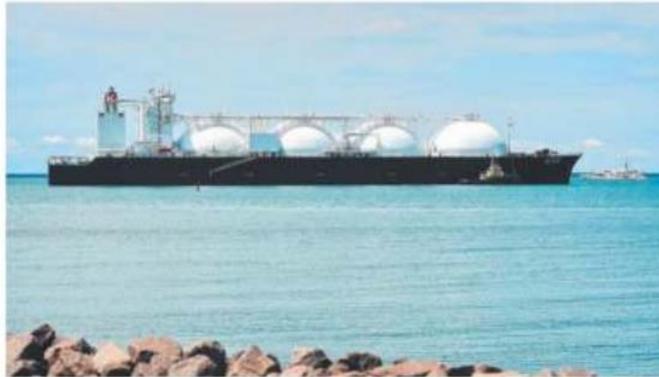
Growing an export market is a positive development in any economy and comes with financial rewards. However, the benefits of international trade must be balanced with the needs of local consumers.

Since 2009, Australia grew its exports of gas to the world and in the process increased total domestic gas production three-fold. Despite this increase in production, the cost to east coast consumers jumped by 300-400 per cent. Government data reveals the short-term gas price in Victoria, the state that consumes the most gas, jumped from under \$2 a gigajoule in the September quarter of 2009 to nearly \$10 a gigajoule in the September quarter last year.

While the short-term, or spot price, is one indicator of the cost of gas in our economy, most gas in Australia is of necessity sold on a long-term contract basis to justify the investments needed to feed Australia's industry.

The price of gas sold on a long-term contract basis has risen roughly in line with the spot price — up 300-400 per cent in the past 10 years.

But unlike the spot price, long-



JUSTIN KENNEDY

Consumers are paying a hefty price for gas exports

term contract prices rarely fall when the value of crude oil decreases. Ten-year contracts for gas, the terms needed to provide manufacturers with certainty, have remained stubbornly high through fluctuations in both the oil price and the spot price of gas.

Not just high at a level that hurts margins for manufacturers, but so prohibitively high they make Australia completely uncompetitive, causing declines in domestic manufacturing.

The business I lead manufactures on both sides of the Pacific, and we have consistently paid three to four times more for gas in Australia than we pay in America, at a time when Australia was send-

ing 80 per cent of its gas offshore.

These higher wholesale gas prices create an added cost that is felt across our economy and will stunt the recovery from COVID-19.

High gas prices are an added cost on goods that are manufactured here in Australia, making them less competitive against imports. They are an added cost on jobs in businesses that rely on gas, reducing the incentive to employ Australian workers. And they are an added cost in the gas bills paid by households across the country, leaving them with less discretionary spending to support other areas of the economy.

These are costs the Australian

economy could not afford while it was experiencing continual economic growth. And it is certainly not a cost it can afford as we battle a likely recession caused by COVID-19.

If Australia wants to create more jobs in gas-dependent industries, we must address uncompetitive gas prices by implementing policies that reverse the damage of the last decade.

In Western Australia, where gas producers are required to reserve 15 per cent of all exports to local customers, the cost of gas is approximately one-third what it costs on the east coast.

In the US, where gas exports are required to face a national interest test prior to approval, the gas price is less than one-third of what it is in eastern Australia.

Today there are very few limits on gas exports from eastern Australia, and unfortunately the desire to provide a reliable supply of gas to foreign customers has unnecessarily come at the expense of local jobs and household budgets.

Now, in our time of national need, we must act to address the failure of the east coast gas market to reach a competitive domestic price for a national resource. We must agree measures that make this cost of gas competitive with

the west coast, and competitive with the rest of the world.

This is not an attack on gas exporters. As a nation, Australia has always earned its keep from exporting goods and services to the world. Our economic wellbeing has long been supported by a series of export success stories. From wool and wheat, through to education and iron ore, Australia has always prospered when it sold its goods to the world.

But export success should never be at the expense of local customers or developing a more complex economy that multiplies the wealth creation that can occur here in Australia. The long-term licence to operate for all export industries is based on the contribution they make to Australia.

Today as our nation faces its toughest challenge in a generation, we can begin the rebuilding of our economy by ensuring all Australians benefit from the abundance of gas produced in their country — by providing the jobs we need, encouraging more investment, and by reducing pressure on household budgets.

Jeanne Johns is the managing director and CEO of Incitec Pivot, an Australian maker of fertilisers and explosives and the country's largest commercial gas user.

Our Panel



Jeanne Johns

Managing Director & CEO, Incitec
Pivot Ltd.



Dr Gabrielle Ostrognay

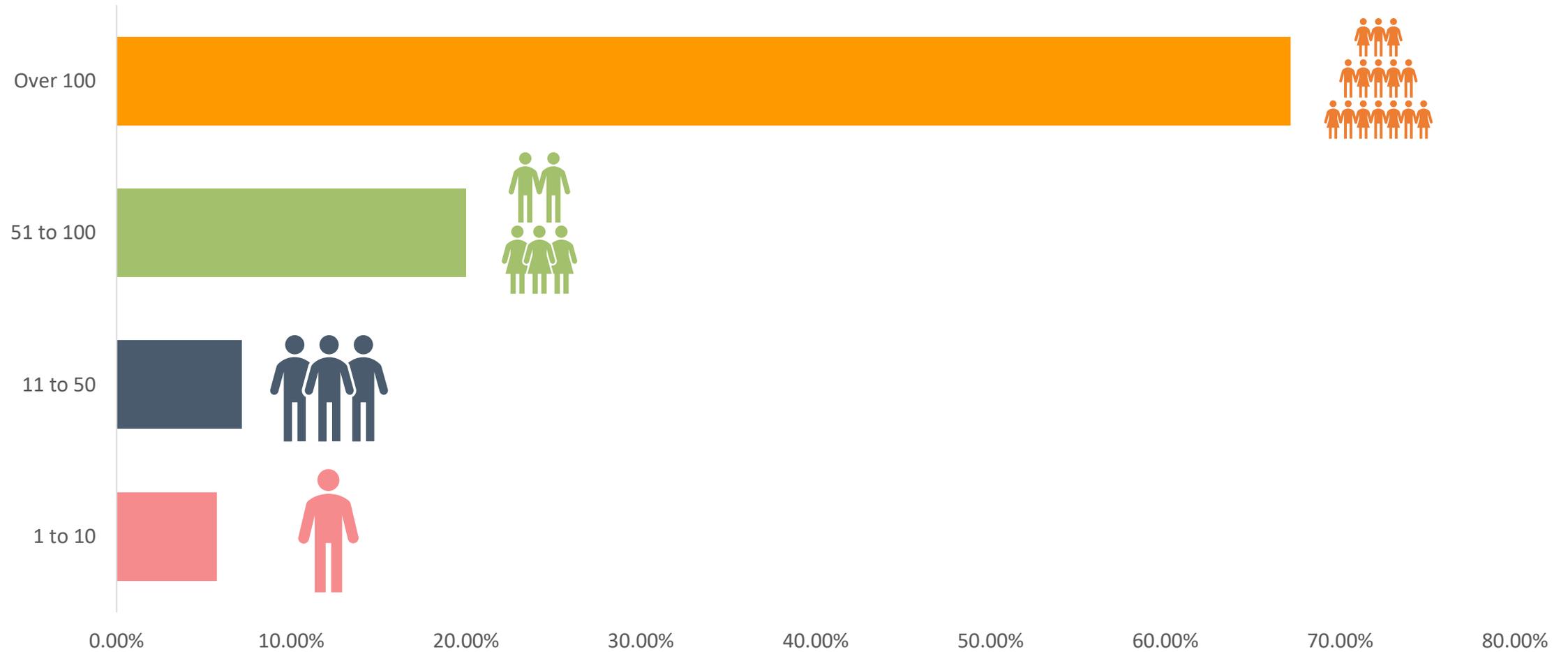
Organisational Psychologist &
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Joe Fischer

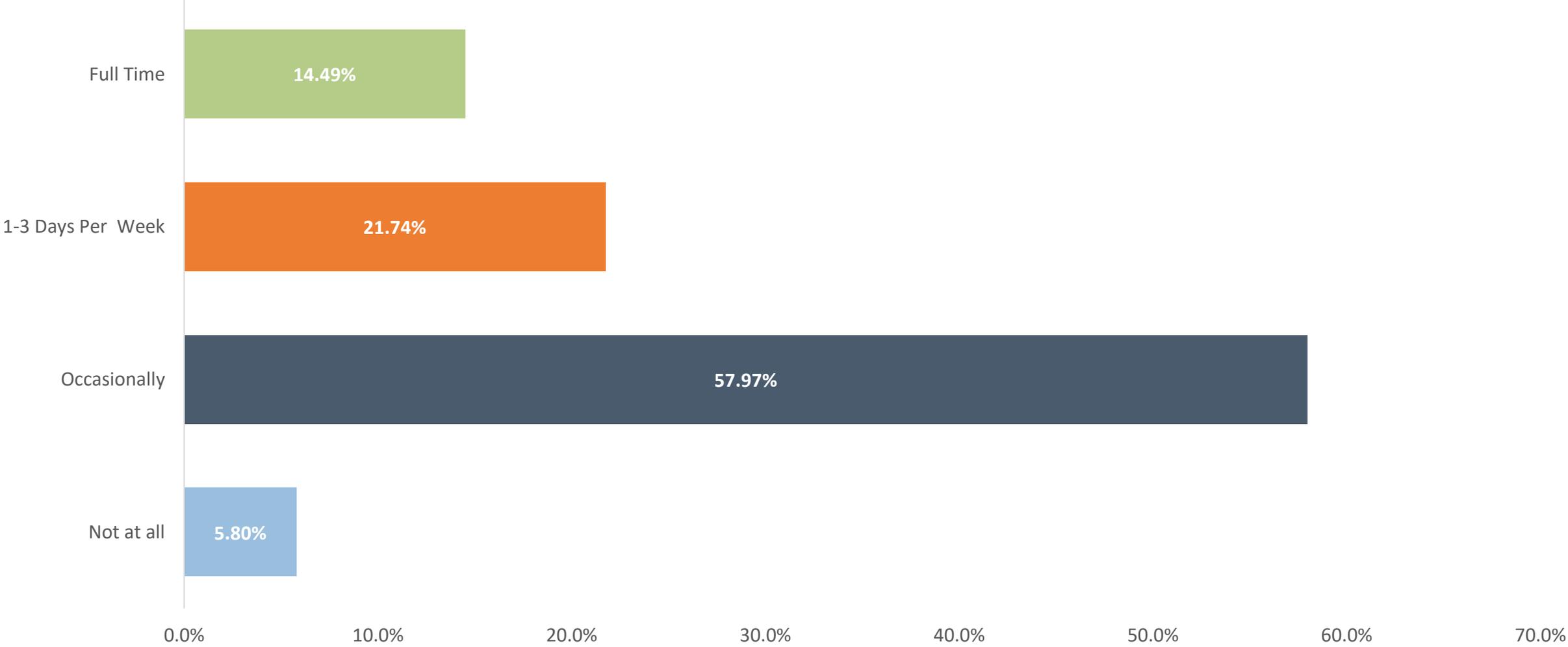
Former Global Head of HR P&O Group
(UK); Senior Partner SMG

Size of Organisation

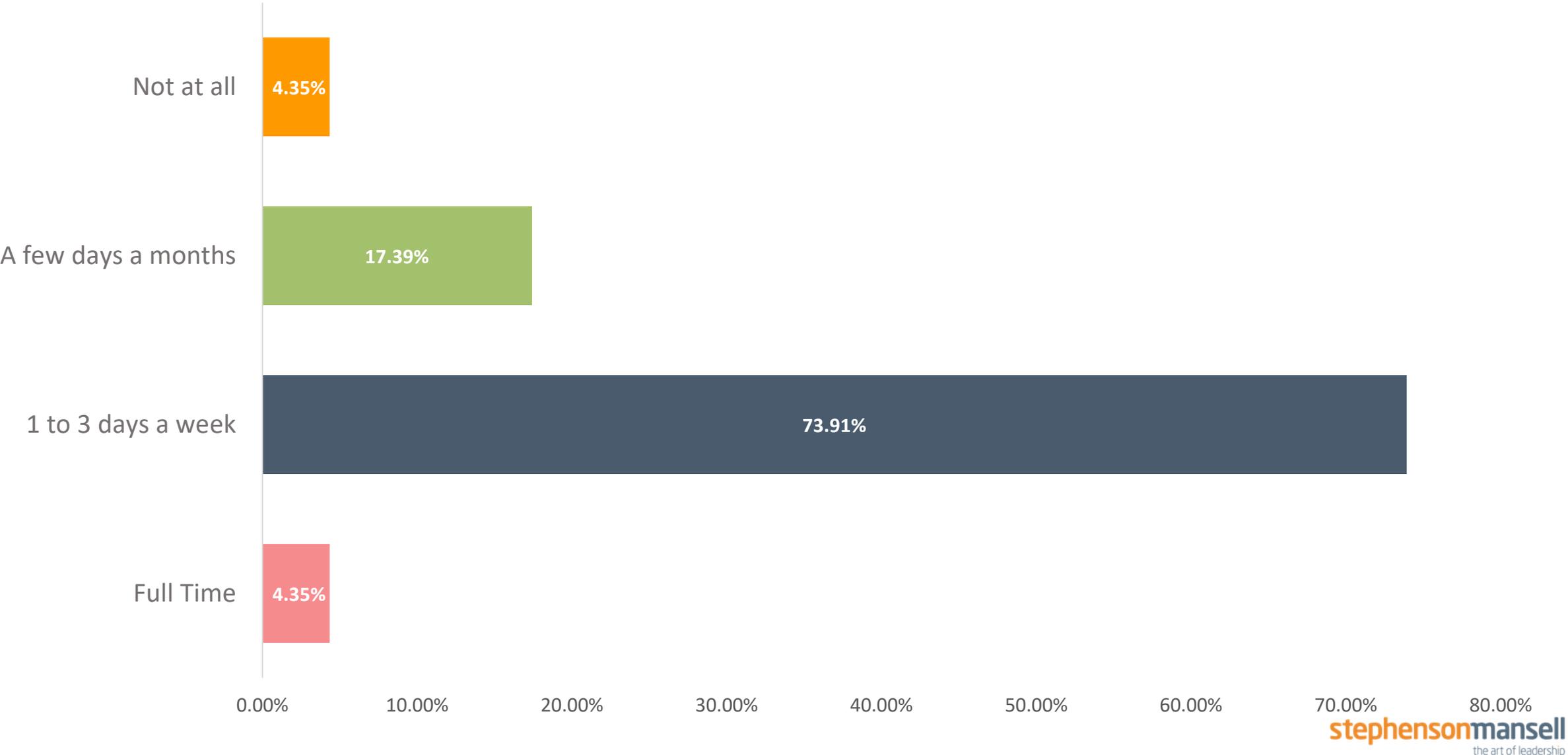


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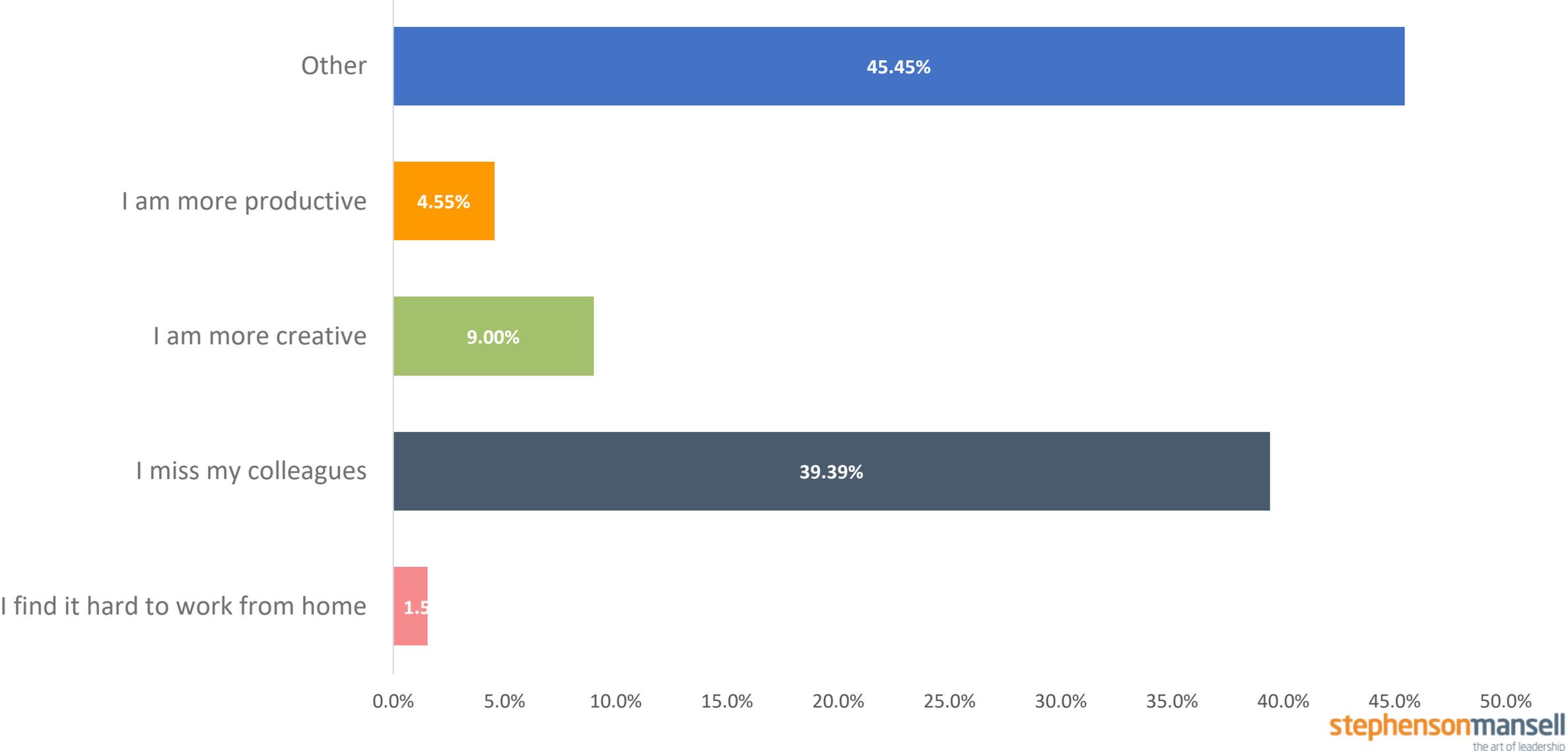
Have you worked remotely pre-COVID?



How many days would you want to go back to the office?



What is the most compelling reason for working in the office?



Any other comments?

Leadership requires frequent, direct, face to face engagement. Also meeting customers is best done in person.

Across our business, output, productivity and engagement have all gone up and absenteeism presenteeism is down...completely opposite to what many leaders expected.

Many of my larger teams are at low grades, and respond better to personal interaction but are doing well online. My more independent senior staff can work from anywhere but there is an element of synergy we get from being together on a regular (monthly) basis.

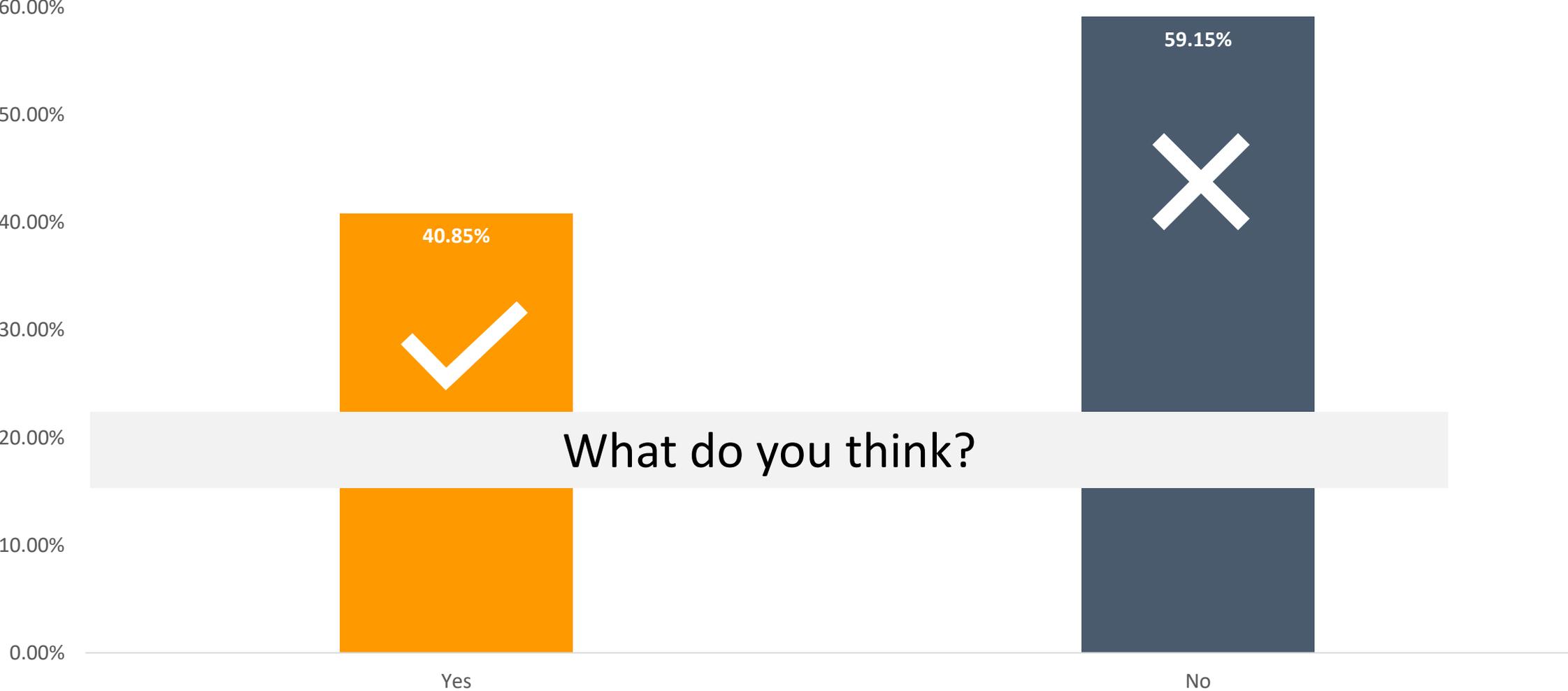
...I feel as though I can get more interaction from my team if we're all in a room together but virtual meetings have been a good interim measure.

It would be so easy to be socially disconnected working remotely and missing all the benefits of active learning in face to face team environments.

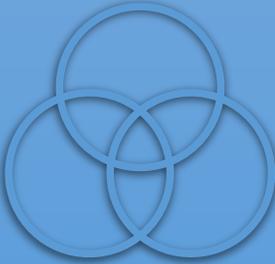
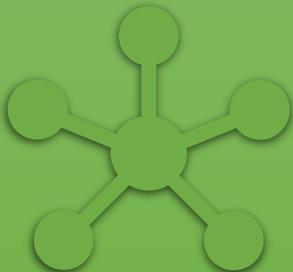
What is the most compelling reason for working in the office?



Do you agree with this statement: 'It is easier to lead a team from the office'



Return to the Office Personas

				
Poll Question: Which one most closely represents you?				
Affected Personally affected by the crisis.	Settled Since the lockdown, they have found a new better routine at home.	Inbetweener Caught between the desire to stay safe and a need to return to work.	Enthusiast Missing the office, the routine and everything that goes with it.	Reinventor Looking to seize the opportunity and redefine how we work.

How has COVID impacted the values and culture of organisations?

Pre-COVID Culture

- High performance focus

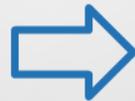
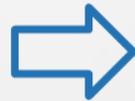
Results orientation, Achievement,
Financial stability

- Some sense of alignment

Teamwork, Engagement,
Commitment, Accountability

- Restrictive practices

Bureaucracy, Control, Cost reduction



During COVID Culture

- Responding to changing needs

Adaptability, Agility, Digital connectivity

- People focus

Caring, Employee health, Balance (home/work)

- Working together

Teamwork, Collaboration, Information sharing

Working Remotely – Six COVID-19 Principles

1. You are not “working from home”, you are “at your home during a crisis trying to work”.
2. Your personal physical, mental, and emotional health is far more important than anything else right now.
3. You should not try to compensate for lost productivity by working longer hours.
4. You will be kind to yourself and not judge how you are coping based on how you see others coping.
5. You will be kind to others and not judge how they are coping based on how you are coping.
6. Your team’s success will not be measured the same way it was when things were normal.

What gets lost?



DNA of Belonging



Implications for Organisational Culture

The background of the slide is a repeating pattern of colorful umbrellas. The umbrellas are arranged in a grid and come in various colors including red, yellow, green, white, orange, and blue. They are set against a clear blue sky. The text 'Implications for Organisational Culture' is overlaid in white, sans-serif font in the upper left quadrant.



Poll Question:

What is the most important leadership characteristic moving forward?

Questions & Answers

A top-down view of a wooden desk. On the left is a silver laptop with a grey keyboard and trackpad. In the center is a white mouse. On the right is a white coffee cup with a latte on a saucer. In the bottom right corner is a white tablet with a black screen. A yellow pencil is lying on the desk to the left of the laptop.

Next Webinar:
15 June 2020
12:00 – 1:00pm

Thank you

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